

**ND PUBLIC EMPLOYEES RETIREMENT SYSTEM
INVESTMENT PERFORMANCE REPORT AS OF NOVEMBER 30, 2003**

	November-03				October-03				September-03				Current	Prior Year	3 Years	5 Years
	Allocation		Month		Allocation		Month		Allocation		Quarter		Fiscal YTD	FY03	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2003 Net	6/30/2003 Net
LARGE CAP DOMESTIC EQUITY																
<i>Structured Growth</i>																
LA Capital	55,391,720	4.5%	4.5%	1.54%	54,550,204	4.5%	4.5%	5.17%	51,838,717	4.4%	4.5%	N/A	N/A	N/A	N/A	N/A
AllianceBernstein	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	-1.48%	-20.46%	-5.64%
Total Structured Growth	55,391,720	4.5%	4.5%	1.54%	54,550,204	4.5%	4.5%	5.17%	51,838,717	4.4%	4.5%	6.61%	13.86%	-1.48%	-20.46%	-5.64%
<i>Russell 1000 Growth</i>				1.05%				5.62%				3.92%	10.90%	2.93%	-21.55%	-5.04%
<i>Structured Value</i>																
LSV	59,097,850	4.8%	4.5%	1.87%	58,044,982	4.8%	4.5%	7.45%	54,142,627	4.6%	4.5%	3.33%	13.11%	-2.05%	9.06%	3.95%
<i>Russell 1000 Value</i>				1.36%				6.12%				2.06%	9.78%	-1.02%	-2.19%	-0.17%
<i>Enhanced Russell 1000 Index</i>																
LA Capital	56,098,860	4.6%	4.5%	1.34%	55,375,022	4.5%	4.5%	5.64%	52,397,265	4.5%	4.5%	2.87%	10.13%	1.08%	N/A	N/A
<i>Russell 1000</i>				1.20%				5.86%				3.00%	10.35%	0.96%	N/A	N/A
<i>Enhanced S&P 500 Index</i>																
Northern Trust	52,544,783	4.3%	4.5%	0.90%	52,096,000	4.3%	4.5%	5.63%	49,310,551	4.2%	4.5%	2.50%	9.24%	0.28%	N/A	N/A
Strong	54,167,630	4.4%	4.5%	1.11%	53,551,567	4.4%	4.5%	5.80%	50,694,242	4.3%	4.5%	2.89%	10.06%	3.30%	N/A	N/A
Westridge	57,368,734	4.7%	4.5%	0.89%	56,896,221	4.7%	4.5%	5.69%	53,820,227	4.6%	4.5%	2.65%	9.45%	0.56%	N/A	N/A
Total Enhanced S&P 500 Index	164,081,148	13.3%	13.5%	0.96%	162,543,787	13.3%	13.5%	5.71%	153,825,020	13.1%	13.5%	2.68%	9.58%	1.35%	N/A	N/A
<i>S&P 500</i>				0.88%				5.66%				2.64%	9.41%	0.24%	N/A	N/A
<i>S&P 500 Index</i>																
State Street	37,245,711	3.0%	3.0%	0.88%	36,920,291	3.0%	3.0%	5.65%	34,944,955	3.0%	3.0%	2.64%	9.39%	0.31%	-11.14%	-1.58%
<i>S&P 500</i>				0.88%				5.66%				2.64%	9.41%	0.24%	-11.20%	-1.61%
TOTAL LARGE CAP DOMESTIC EQUITY	371,915,289	30.2%	30.0%	1.24%	367,434,286	30.1%	30.0%	5.88%	347,148,586	29.7%	30.0%	3.02%	10.43%	0.49%	-9.68%	-2.32%
<i>S&P 500</i>				0.88%				5.66%				2.64%	9.41%	0.24%	-11.20%	-1.61%
SMALL CAP DOMESTIC EQUITY																
<i>Manager-of-Managers</i>																
SEI	137,700,475	11.2%	10.0%	3.10%	133,617,188	11.0%	10.0%	8.81%	122,768,785	10.5%	10.0%	9.68%	23.05%	0.68%	N/A	N/A
<i>Russell 2000 + 200bp</i>				3.72%				8.56%				9.60%	23.41%	0.37%	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	137,700,475	11.2%	10.0%	3.10%	133,617,188	11.0%	10.0%	8.81%	122,768,785	10.5%	10.0%	9.68%	23.05%	0.68%	-3.37%	-0.65%
<i>Russell 2000</i>				3.55%				8.40%				9.07%	22.43%	-1.64%	-3.30%	0.97%
INTERNATIONAL EQUITY																
<i>Large Cap - Core</i>																
State Street	27,231,346	2.2%	2.0%	5.96%	26,827,200	2.2%	2.0%	6.10%	25,214,812	2.2%	2.0%	6.08%	19.25%	-9.96%	-13.28%	-4.72%
<i>MSCI EAFE - 50% Hedged</i>				1.22%				5.70%				6.58%	14.03%	-11.24%	-14.65%	-4.18%
<i>Large Cap - Active</i>																
Capital Guardian	66,421,776	5.4%	5.0%	0.82%	65,684,263	5.4%	5.0%	6.64%	61,325,566	5.2%	5.0%	7.45%	15.52%	-11.30%	-14.96%	0.47%
Bank of Ireland	12,823,066	1.0%	1.0%	4.64%	12,217,760	1.0%	1.0%	4.34%	11,668,820	1.0%	1.0%	2.64%	12.07%	-10.28%	N/A	N/A
Total Large Cap - Active	79,244,842	6.4%	6.0%	1.42%	77,902,023	6.4%	6.0%	6.27%	72,994,387	6.2%	6.0%	6.65%	14.95%	-11.12%	-14.58%	0.74%
<i>MSCI EAFE - 50% Hedged</i>				1.22%				5.70%				6.58%	14.03%	-11.24%	-14.65%	-4.18%
<i>Small Cap - Active</i>																
Lazard	13,198,840	1.1%	1.0%	3.23%	12,751,240	1.0%	1.0%	5.04%	13,370,769	1.1%	1.0%	10.66%	19.99%	-2.32%	N/A	N/A
Wellington	13,263,563	1.1%	1.0%	0.53%	14,902,900	1.2%	1.0%	5.93%	14,027,503	1.2%	1.0%	17.22%	24.82%	5.97%	N/A	N/A
Total Small Cap - Active	26,462,402	2.1%	2.0%	1.77%	27,654,140	2.3%	2.0%	5.49%	27,398,271	2.3%	2.0%	13.94%	22.34%	1.75%	N/A	N/A
<i>Citigroup Broad Market Index < \$2BN</i>				-0.10%				6.90%				15.95%	23.83%	3.91%	N/A	N/A
TOTAL INTERNATIONAL EQUITY	132,938,590	10.8%	10.0%	2.41%	132,383,363	10.9%	10.0%	6.07%	125,607,470	10.7%	10.0%	8.04%	17.36%	-8.22%	-12.63%	-0.99%
<i>MSCI EAFE - 50% Hedged</i>				1.22%				5.70%				6.58%	14.03%	-11.24%	-14.65%	-4.18%
EMERGING MARKETS EQUITY																
<i>Capital Guardian</i>	71,328,035	5.8%	5.0%	-0.24%	71,499,703	5.9%	5.0%	7.31%	66,631,691	5.7%	5.0%	14.62%	22.70%	7.15%	-10.61%	1.62%
<i>MSCI Emerging Markets Free</i>				1.23%				8.51%				14.23%	25.47%	6.96%	-7.07%	2.49%
DOMESTIC FIXED INCOME																
<i>Core Bond</i>																
Western Asset	34,411,803	2.8%	3.1%	0.32%	34,277,103	2.8%	3.1%	-0.42%	34,417,610	2.9%	3.1%	-0.47%	-0.57%	13.42%	11.88%	8.58%
<i>Lehman Aggregate</i>				0.24%				-0.93%				-0.15%	-0.84%	10.39%	10.07%	7.54%
<i>Active Duration</i>																
WestAM (Criterion)	33,747,395	2.7%	3.1%	0.20%	33,671,917	2.8%	3.1%	-0.96%	34,018,566	2.9%	3.1%	-0.40%	-1.16%	9.93%	9.39%	6.85%
<i>Lehman Aggregate</i>				0.24%				-0.93%				-0.15%	-0.84%	10.39%	10.07%	7.54%
<i>Index</i>																
Bank of ND	54,051,295	4.4%	4.9%	0.20%	53,951,679	4.4%	4.9%	-1.29%	54,655,238	4.7%	4.8%	-0.73%	-1.83%	12.59%	11.06%	7.79%
Bank of ND Match Loan CD Program	13,642,931	1.1%	1.1%	0.46%	13,580,684	1.1%	1.1%	0.48%	13,516,361	1.2%	1.2%	1.43%	2.38%	5.83%	5.84%	5.85%
Total Index	67,694,226	5.5%	6.0%	0.25%	67,532,363	5.5%	6.0%	-0.90%	68,171,600	5.8%	6.0%	-0.21%	-0.86%	10.77%	10.08%	7.44%
<i>Lehman Gov/Credit</i>				0.27%				-1.27%				-0.50%	-1.50%	13.15%	10.82%	7.83%

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	Allocation		Month		Allocation		Month		Allocation		Quarter		Fiscal YTD	FY03	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net ROR	Net ROR	6/30/2003	6/30/2003
Convertibles																
TCW	37,130,484	3.0%	3.1%	2.32%	36,435,853	3.0%	3.1%	4.10%	35,017,988	3.0%	3.1%	1.84%	8.47%	10.37%	-9.08%	N/A
<i>First Boston Convertible Index</i>				2.25%				3.27%				2.67%	8.41%	15.35%	-3.81%	N/A
BBB Average Quality																
Strong	34,627,011	2.8%	3.1%	0.67%	34,408,854	2.8%	3.1%	-0.96%	34,720,841	3.0%	3.1%	0.16%	-0.14%	14.81%	10.35%	N/A
<i>Lehman BBB</i>				0.73%				-0.91%				0.27%	0.09%	18.33%	9.91%	N/A
Timberland																
Evergreen (Wachovia)	68,157,868	5.5%	5.5%	-0.05%	68,157,868	5.6%	5.6%	6.22%	64,138,631	5.5%	5.5%	-0.15%	6.00%	12.50%	N/A	N/A
															N/A	N/A
TOTAL DOMESTIC FIXED INCOME	275,768,788	22.4%	24.0%	0.50%	274,483,958	22.5%	24.0%	1.46%	270,485,236	23.1%	24.0%	0.11%	2.08%	11.62%	6.95%	6.77%
<i>Lehman Aggregate</i>				0.24%				-0.93%				-0.15%	-0.84%	10.39%	10.07%	7.54%
HIGH YIELD BONDS																
Western Asset	63,485,991	5.2%	5.0%	1.30%	62,669,653	5.1%	5.0%	1.82%	61,549,306	5.3%	5.0%	1.99%	5.19%	20.04%	2.51%	4.15%
<i>Lehman High Yield Bond Index</i>				1.52%				2.02%				2.77%	6.44%	22.77%	5.44%	2.66%
INTERNATIONAL FIXED INCOME																
<i>International Sovereign</i>																
UBS Global (Brinson)	27,481,891	2.2%	2.5%	1.88%	26,967,478	2.2%	2.5%	-0.25%	27,027,414	2.3%	2.5%	3.18%	4.85%	18.20%	8.47%	5.93%
<i>Citigroup Non-US Gov't Bond Index (1)</i>				2.09%				-0.23%				2.75%	4.65%	17.91%	8.10%	6.29%
<i>International Core</i>																
Brandywine	27,042,663	2.2%	2.5%	2.67%	26,392,623	2.2%	2.5%	-0.26%	26,451,362	2.3%	2.5%	1.51%	3.95%	N/A	N/A	N/A
<i>Lehman Global Aggregate (ex-US)</i>				2.09%				-0.28%				2.76%	4.61%	N/A	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	54,524,553	4.4%	5.0%	2.27%	53,360,101	4.4%	5.0%	-0.25%	53,478,776	4.6%	5.0%	2.34%	4.41%	17.83%	8.36%	5.86%
<i>Citigroup Non-US Gov't Bond Index (1)</i>				2.09%				-0.23%				2.75%	4.65%	17.91%	8.10%	6.29%
REAL ESTATE																
JMB	14,991			0.00%	26,405			0.00%	26,405			-8.75%	-8.75%	-18.62%	-5.76%	0.42%
INVESCO	32,690,887			-0.06%	32,606,733			0.67%	25,898,627			0.37%	0.98%	8.15%	8.00%	7.69%
J.P. Morgan	32,199,343			0.89%	31,915,709			1.05%	31,584,102			2.43%	4.42%	7.80%	7.36%	10.23%
TOTAL REAL ESTATE	64,905,221	5.3%	5.0%	0.37%	64,548,847	5.3%	5.0%	0.86%	57,509,135	4.9%	5.0%	1.36%	2.61%	7.97%	7.69%	9.00%
<i>NCREIF TOTAL INDEX</i>				0.65%				0.65%				1.97%	3.30%	7.64%	8.51%	10.16%
ALTERNATIVE INVESTMENTS																
Brinson IVCF II	273,106			0.00%	274,211			0.00%	275,245			-0.23%	-0.23%	-7.44%	-23.62%	10.02%
Coral Partners II	107,981			0.00%	167,358			0.00%	167,358			9.73%	9.73%	10.56%	-36.34%	-15.79%
Coral Partners V	10,594,418			0.00%	10,098,249			0.00%	10,093,446			-6.88%	-6.88%	-22.52%	-20.83%	-9.87%
Coral Partners V - Supplemental	525,418			0.00%	525,337			0.00%	525,087			-15.67%	-15.67%	-28.36%	N/A	N/A
Coral Partners VI	1,643,971			0.00%	1,643,717			0.00%	1,642,935			-12.18%	-12.18%	N/A	N/A	N/A
Brinson 1998 Partnership Fund	1,712,950			0.00%	1,712,686			0.00%	1,842,152			4.07%	4.07%	-14.73%	-11.35%	1.31%
Brinson 1999 Partnership Fund	2,277,272			0.00%	2,276,920			0.00%	2,275,838			0.98%	0.98%	-16.31%	-14.42%	N/A
Brinson 2000 Partnership Fund	3,974,525			0.00%	3,973,911			0.00%	3,659,166			0.67%	0.67%	-13.99%	-9.08%	N/A
Brinson 2001 Partnership Fund	1,260,166			0.00%	1,259,971			0.00%	1,259,372			0.43%	0.43%	-5.98%	N/A	N/A
Brinson 2002 Partnership Fund	852,729			0.00%	852,597			0.00%	852,192			12.21%	12.21%	9.08%	N/A	N/A
Brinson 2003 Partnership Fund	82,550			0.00%	82,537			0.00%	82,498			-3.58%	-3.58%	N/A	N/A	N/A
Brinson 1999 Non-US Partnership Fund	1,086,021			0.00%	1,246,782			0.00%	1,246,189			6.32%	6.32%	13.12%	2.21%	N/A
Brinson 2000 Non-US Partnership Fund	1,534,390			0.00%	1,534,152			0.00%	1,533,423			2.82%	2.82%	9.50%	-1.63%	N/A
Brinson 2001 Non-US Partnership Fund	837,936			0.00%	837,806			0.00%	837,408			7.50%	7.50%	-0.41%	N/A	N/A
Brinson 2002 Non-US Partnership Fund	1,272,098			0.00%	1,159,177			0.00%	1,158,626			3.71%	3.71%	5.34%	N/A	N/A
Brinson 2003 Non-US Partnership Fund	219,118			0.00%	75,397			0.00%	75,361			-0.05%	-0.05%	N/A	N/A	N/A
Brinson BVCF IV	5,862,842			0.00%	6,085,116			0.00%	6,082,204			-1.02%	-1.02%	-14.64%	-18.80%	N/A
Matlin Patterson Global Opportunities	13,732,472			0.00%	12,992,341			0.00%	12,364,863			0.00%	0.00%	N/A	N/A	N/A
InvestAmerica	1,738,880			0.00%	1,738,611			0.00%	1,737,784			0.00%	0.00%	-12.50%	N/A	N/A
Hearthstone MSII	2,336,259			0.00%	2,710,950			0.00%	2,348,807			5.06%	5.06%	28.98%	13.57%	N/A
Hearthstone MSIII	2,163,269			0.00%	2,162,934			0.00%	293,462			N/A	N/A	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (2)	54,088,371	4.4%	5.0%	0.00%	53,410,760	4.4%	5.0%	0.00%	50,353,415	4.3%	5.0%	-0.91%	-0.91%	-9.65%	-13.02%	0.04%
CASH EQUIVALENTS																
Northern Trust STIF/STEP	6,075,629	0.5%	1.0%	0.06%	5,870,170	0.5%	1.0%	0.13%	14,952,391	1.3%	1.0%	0.35%	0.54%	1.84%	3.33%	4.22%
<i>90 Day T-Bill</i>				0.08%				0.08%				0.25%	0.41%	1.52%	3.33%	4.07%
TOTAL FUND	1,232,730,941	100.0%	100.0%	1.26%	1,219,278,028	100.0%	100.0%	4.20%	1,170,484,789	100.0%	100.0%	3.84%	9.57%	5.46%	-1.91%	2.68%
POLICY TARGET BENCHMARK				1.07%				3.43%				3.39%	8.09%	4.63%	-2.62%	2.52%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Previously this benchmark was titled Salomon Brothers Non-US Gov't Bond Index.